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FOR THE DEPUTY SECRETARY

E.O. 12958: DECL: 11/13/2018

TAGS: PREL ECON OVIP UK

SUBJECT: SCENESETTER FOR THE DEPUTY SECRETARY'S VISIT TO BELFAST,
NOVEMBER 18-19, 2008

CLASSIFIED BY: Robert H. Tuttle, Ambassador, London.

REASON: 1.4 (b), (d)

¶1. (C/NF) Summary. Your visit to Northern Ireland will provide an opportunity to demonstrate our continued support for the historic achievement of creating a power-sharing government and ending Northern Ireland's decades-long sectarian violence, and an opportunity to restate a strong message concerning the need to move forward quickly on devolution of policing and justice powers. Northern Ireland's leaders recognize that positive U.S. engagement during the past decade has led to the successful power-sharing arrangement in place today. President Bush first conveyed the need for devolution of policing and justice powers to Northern Ireland's leaders when they visited the White House in December 2007, and again when he visited Northern Ireland in June 2008. It would be useful for you to reiterate the President's tough message on devolution to Democratic Unionist Party (DUP) First Minister Peter Robinson and Sinn Fein (SF) Deputy First Minister Martin McGuinness. During the successful May 2008 US-NI Investment Conference, the President conveyed by video a strong positive message to potential U.S. investors that a stable government has returned to Northern Ireland. You may want to underscore that the continuing lack of progress on devolution and the current impasse between the DUP and SF could create political uncertainty which would discourage foreign investors and have a negative effect on Northern Ireland's economic future. End Summary.

Last Piece of the Peace Deal

¶2. (C/NF) The Government of the United Kingdom devolved all governmental powers to Northern Ireland's power-sharing government on May 8, 2007, with the exception of powers related to policing and the administration of justice. The October 2006 St. Andrews Agreement envisioned that policing and justice powers could be devolved by May 2008. Progress on implementing this final step of the devolution process has stalled because the DUP is concerned about former IRA members (SF) being in charge of security-related issues. A NI Assembly Review Committee made recommendations for policing and justice structures in spring 2008, but the DUP and SF have not yet agreed to them.

¶3. (C/NF) President Bush delivered a strong message on the need to move forward on devolution of policing and justice when former DUP FM Ian Paisley Sr. and DFM Martin McGuinness visited the White House in December 2007. Moving forward quickly on devolution was also the centerpiece of the President's message during his June 2008 visit to Northern Ireland. It would be useful for you to reiterate the President's message on devolution. You can convey that the U.S. is no longer interested in excuses and that it is time to resolve the issue, and you can tell Robinson and McGuinness that the lack of progress on devolution could have a negative impact on the positive outcomes of the May 2008 US-NI Investment Conference. President Bush (via video message), UK PM Brown, and Northern Ireland's leaders told potential investors that a stable

government had returned and Northern Ireland was a great place to do business. This message will quickly fade if the impasse between the DUP and SF continues.

PM Brown's Involvement

¶4. (C/NF) Viewing Northern Ireland's political issues as mostly resolved, Prime Minister Gordon Brown has not been as engaged on Northern Ireland as his predecessor Tony Blair. Brown's major initiative was the May 2008 U.S.-NI Investment Conference which he attended and during which he encouraged potential U.S. and North American investors to consider Northern Ireland as a place to do business. In September 2008 PM Brown returned to Belfast to address Northern Ireland's Legislative Assembly. In his remarks he called upon Northern Ireland's leaders to move quickly to resolve the differences holding up the completion of devolution. His remarks were praised by SF but not well received by the Unionist Community.

¶5. (C/NF) DUP and SF are united on one issue -- the need for the British government to provide additional funding for devolved policing and justice. Thus far, Brown has been reluctant to commit additional funds for this in advance. As Chancellor under Blair, Brown made it clear to local political parties that there was little he could do for them financially to help make up for decades of economic stagnation.

¶6. (C/NF) Brown continues to enjoy what UK media have dubbed the "Brown Bounce" for his perceived deft handling of the current banking crisis, a phenomena that has improved Labour's national polling numbers and narrowed what had been a double-digit lead by the Conservatives. Labour won a decisive upset victory over the favored Scottish National Party in a November 6 by-election in the Scottish constituency of Glenrothes, further strengthening Brown and helping to stave off any move to unseat him as leader.

Political Overview

¶7. (C/NF) DUP FM Peter Robinson is known for his pragmatism and shrewd handling of the many diverse elements within the DUP. In March, Robinson orchestrated the retirement of the DUP's long-time leader Ian Paisley. DUP Members of the Legislative Assembly (MLAs) felt the party was losing support because Paisley appeared to enjoy too much his working relationship with DFM McGuinness. Paisley's son, Ian Paisley Jr, also became a liability when alleged financial scandals forced him to resign as Junior Minister. As Finance Minister, Robinson worked well with his colleagues, including SF, to pass the government's budget.

¶7. (C/NF) Deputy First Minister McGuinness also faces pressure from within Sinn Fein, particularly regarding devolution of policing and justice. Having signed up to policing in January 2007 in advance of the power-sharing arrangement, Sinn Fein members now want to be seen as full participants in governance. The added pressure of recent attacks on police officers by dissident IRA has raised concern about Sinn Finn leaders' ability to control dissident elements. McGuinness and Sinn Fein leader Gerry Adams denounced these attacks, and mainstream SF members are also being threatened by these dissident elements.

¶8. (C/NF) The Northern Ireland Executive Ministers have not met for almost five months. SF has been blocking meetings of this group because of the DUP's unwillingness to agree on a date for devolution of policing and justice. The lack of an Executive meeting has limited the devolved government's ability to tackle serious economic, health, and education issues. Members of the Executive from Ulster Unionist Party (UUP) and Social Democratic and Labour Party (SDLP) have been extremely critical of the DUP and SF disagreement which has blocked the work of government.

Economic Development

¶9. (C/NF) Over the last decade the economic situation in Northern Ireland has improved and the economy has been in relatively good shape. Foreign investment into Northern Ireland, particularly from the United States, has been robust, with significant new U.S. investments regularly announced. Northern Ireland's economy still needs to make up for several decades of almost non-existent investment due to the sectarian violence. Local economists believe the recent world economic downturn will negatively impact Northern Ireland more than other regions of the UK.

¶10. (C/NF) Ambassador to Ireland Thomas Foley, Special Envoy Paula Dobriansky, and I worked closely with the Northern Ireland government to organize a major investment conference in Belfast in May 2008. The Conference highlighted for more than 100 U.S. business executives the many attractions of doing business in Northern Ireland, such as its stable, highly motivated and educated workforce. The British and Northern Ireland Governments were very pleased with the concrete outcomes and success of the Investment Conference in May 2008 and very appreciative of U.S. Government support.

Post Conflict Outreach

¶11. (C/NF) Northern Ireland's political leaders recognize they have come a long way during the past few decades and many politicians now enjoy sharing their negotiating experiences and best practices with politicians from other regions in conflict, including Iraqis, Israelis, Palestinians, Sri Lankans and Kosovars. Most noteworthy is the work by DFM McGuinness and DUP Junior Minister Jeffrey Donaldson, who during the past year have met twice in Finland with a delegation of Iraqis, including Sunni, Shia and Kurds, to share their experiences in achieving peace. The Iraqis invited the delegation to visit Baghdad. McGuinness and other delegation members traveled to Iraq in July 2008 to continue the work they started in Finland.

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